## COMMUNICATIONS ADVISORY COUNSEL LLC

2154 Wisconsin Avenue N.W. Washington, D.C. 20007

Tel. 202-333-5273 Fax 202-333-5274 Sylvia Lesse sylvia@Independent-Tel.com

Via electronic filing

January 26, 2006

Marlene H. Dortch Secretary Federal Communications Commission 445 12<sup>th</sup> Street, SW Washington, DC 20554

Re.

South Canaan Cellular Communications Company, LP

Request for Extension CC Docket No. 94-102

Dear Ms. Dortch:

South Canaan Cellular Communications Company, L.P. ("South Canaan"), by its attorney, respectfully requests an extension of its existing deadline of January 31, 2006 to achieve the ninety-five percent location-capable handset penetration benchmark. Despite South Canaan's conscientious efforts, more than five percent of its subscriber base has chosen not to utilize ALI-compliant phones. South Canaan therefore requests an extension through and including December 31, 2006 within which to achieve the 95% penetration benchmark, and submits that good cause exists for such extension, as demonstrated below.

On September 1, 2005, South Canaan Cellular Communications Company, L.P. ("South Canaan") filed a report pursuant to the Commission's *Order*<sup>1</sup> providing information related to its E911 deployment progress. Therein, South Canaan reported its successful completion of its CDMA overlay, as well as the completion of installation of all necessary network equipment to provide Phase II E911 services. South Canaan reported that Phase II service was first available throughout its network in the requesting PSAP's territory on February 28, 2005.

South Canaan also reported that, as of September 1, 2005, approximately 61% of its direct customers utilized compliant phones.<sup>2</sup> This penetration rate represented almost double the number of ALI-capable digital phones that had existed at the beginning of 2005. Nonetheless, South Canaan reported its disappointment that its aggressive marketing campaign to

In the Matter of Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems, E911 Phase II Compliance deadlines for Tier III Carriers, CC Docket No. 94-102, 20 FCC Rcd 7709 (2005) ("Order").

Approximately 50% of the system's users are TracFone resale customers.

Ms. Dortch January 26, 2006 Page Two

promote digital service and ALI-capable handsets has not proven even more successful. As of the date of this filing, only 71% of South Canaan's direct customers utilize compliant handsets, despite 100% of new subscribers added with compliant phones and aggressive marketing and education campaigns to target existing, tenured subscribers. Accordingly, South Canaan respectfully requests an extension of its existing January 31, 2006 deadline through December 31, 2006 to enable it to pursue an orderly course toward full compliance with the 95% ALI-compliant handset penetration directive.

The Commission is well aware of the near-universal difficulties being experienced by carriers in convincing subscribers to give up analog phones.<sup>3</sup> Recognizing that one factor in this reluctance may be the expense of changing equipment, South Canaan instituted and has continued an aggressive marketing campaign which offers not only generous discounts on popular models of compliant handsets (averaging a 35% subsidy for 1-year agreements and 74% subsidy for 2-year agreements), but also at least two models which are completely subsidized, i.e., free to the consumer. During the recently-concluded Christmas sale season, a marketing opportunity which traditionally accounts for 27% of all annual retail sales volume in terms of number of units sold, new marketing programs were instituted, including an anniversary upgrade program. Despite these efforts, the penetration level rose by only 10%, bringing the total ALI-compliant percentage penetration to 71%.

Penetration rates increased an average of three and four tenths (3.4) percentage points per month from January 1 to September 1, 2005, but slowed to an average of two and two tenths (2.2) percentage points per month from September 1, 2005 to January 16, 2006. Based on declining conversion rates (more adaptive subscribers apparently converted earlier), South Canaan projects the conversion rate for the targeted analog phone-user balance of its population to be 2 percentage points per month, which indicates a period of 12 months to reach the 24 percent additional conversions needed to move from the present position of 71% to 95% compliance.

Because subscribers may be reluctant to depart from analog technology due to the decrease in service areas generally associated with digital handsets when compared with their higher-powered analog counterparts, South Canaan has also embarked upon an aggressive build-out plan, having completed the addition of 7 CDMA digital cell sites within the past year, bringing its rural network to 22 CDMA digital cell sites, with plans to add 4 more sites before January 1, 2007. Advertisement of the improvement in digital coverage (and engineering field test confirmation of coverage expansion) is expected to generate a greater interest in digital handsets.

Similarly, South Canaan's educational campaign, designed to inform subscribers of the benefits associated with digital service (as well as the inability to provide automatic location

In addition to the requests for extension of major nationwide carriers including Verizon, Sprint/Nextel and T-Mobile, smaller carriers including, for example, North Carolina RSA3 Cellular Telephone Company, the Commission has also received an extension request from CTIA/RCA, noting the industry's general difficulty in meeting the general deadline of December 31, 2005, only one month short of South Canaan's current deadline.

Ms. Dortch January 26, 2006 Page Three

information to emergency service providers from analog phones) is expected to yield a greater penetration level. South Canaan has used public safety messages in monthly billing and is launching a dedicated campaign to remind customers that they can only realize the benefits of automatic location identification with appropriate equipment.

In sum, South Canaan has undertaken a wide variety of methods designed to increase ALI-compliant penetration level. Despite its expenditures and best efforts, ALI-capable handset penetration has not reached the 95% level. Accordingly, South Canaan submits that an extension of the current deadline is appropriate, given that there is no practical alternative. South Canaan's documented good-faith efforts to meet the Commission's requirements justifies the requested waiver extension, and meets the Commission's standard for waiver where "in view of unique or unusual factual circumstances of the instant case, application of the rule(s) would be inequitable, unduly burdensome or contrary to the public interest, or the applicant has no reasonable alternative."

South Canaan is committed to working toward full compliance, and will continue its marketing, build-out and educational efforts. South Canaan is confident that its persistent efforts, together with the eventual obsolescence of the analog handsets, will eventually produce a 95% penetration rate, and is optimistic that this goal may be reached with a twelve month extension. In the interim, South Canaan will keep the Commission apprised of its progress by filing quarterly reports of its activities.

South Canaan submits that this proposed solution is superior to other courses of action, and will, moreover, serve the public interest in maximum access to emergency services by ensuring that at those with analog phones will continue to have access to the network. South Canaan will continue to work with the single area PSAP capable of utilizing E911 location information, as well as any other PSAP requesting such capabilities.

In light of the foregoing, South Canaan respectfully requests an extension of time until December 31, 2006 within which to achieve a 95% penetration rate for ALI-capable phones.

Respectfully submitted,

Sylvia Lesse

<sup>&</sup>lt;sup>4</sup> 47 C.F.R. § 1.925(b)(3)(ii). See WAIT Radio v. FCC, 418 F.2d 1153 (D.C. Cir. 1969), appeal after remand, 459 F.2d 1203 (D.C. Cir. 1972), cert. denied, 409 U.S. 1027 (1972); Northeast Cellular Tel. Co. v. FCC, 897 F.2d 1164 (D.C. Cir. 1990).

## DECLARATION OF CAROLYN C. COPP

I, Carolyn C. Copp, President of SCCI, LLC, the General Partner of South Canaan Cellular Communications Company, L.P., do hereby declare under penalty of perjury that I have read the foregoing "Request for Extension" dated January 26, 2006 and that the facts stated therein are true and correct, to the best of my knowledge, information and belief.

26 gan 2006

Candy Copp Carolyn C. Copp

## Certificate of Service

I, Sylvia Lesse, of Communications Advisory Counsel, LLC, hereby certify that on this 26<sup>th</sup> day of January, 2006, I caused to be delivered, via first-class US mail, postage prepaid, a copy of the foregoing "Request for Extension" on the following:

\*Catherine W. Seidel, Acting Chief Wireless Telecommunications Bureau Federal Communications Commission 445 12<sup>th</sup> Street, SW Washington, DC 20554

\*Kris Monteith, Chief Enforcement Bureau Federal Communications Commission 445 12<sup>th</sup> Street, SW Washington, DC 20554

\*Michael Wilhelm, Chief Public Safety Critical Infrastructure Division Wireless Telecommunications Bureau Federal Communications Commission 445 12<sup>th</sup> Street, SW Washington, DC 20554

\*Best Copy & Printing, Inc Portals II 445 12<sup>th</sup> Street, SW Room CY-B402. Washington DC 20554

Mr. Bernie Swartwood Director of Communications Pike County Communications Pike County Administration Building 506 Broad Street Milford, PA 18337

\* Hand Delivery

Sylvia Lesse